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SOME AGENCIES FOR THE EXTENSION OF OUR DOMESTIC AND FOREIGN TRADE

BY HONORABLE GEORGE BRUCE CORTELYOU
Secretary of Commerce and Labor, Washington, D. C.

MR. CHAIRMAN, LADIES, AND GENTLEMEN:

I am particularly fortunate in having the privilege of meeting you this evening, for, in addition to the pleasure of seeing so many old friends, it is an interesting and gratifying experience for a speaker to address a gathering peculiarly concerned with the subject he has to discuss.

Your organization has had a rapid and healthful growth since its foundation in 1889. I am glad it is international in its scope and that its influence for good has been so marked. As announced when it was organized, the desire was to establish an association which, "renouncing all attempts at propaganda and demanding no confession of faith, should yet aim to keep its members in close touch with the practical social questions of the time." You are living up to this standard; you are doing something worth while in the life of the nation, and that should be a source of pride and congratulation to any association.

I greatly appreciate your kindness and consideration in arranging for me to meet not only the members of this Academy, but the members of the Manufacturers' Club, honored so long and so justly among the great organizations of its kind, and I am glad also to meet the representatives of the University of Pennsylvania, the foundation of which "was laid in colonial days, nearly fifty years before Pennsylvania became a State."

Philadelphia has many claims upon those of us who are trying to contribute to a better understanding of commercial and industrial conditions. As the metropolis of a manufacturing Commonwealth, as the seat of one of the great universities of the country and other institutions of learning having a deservedly high standing in their respective classes, as the home of influential organizations such as yours, and as the abiding place of many who represent the best ten-

dencies of our citizenship, it is peculiarly a city in which it is opportune to dwell at some length upon problems before the country and the steps believed to be necessary for their solution.

I have been in Philadelphia many times. I have had occasion, in connection with various Presidential trips, to note the tact and courtesy and hospitality with which your citizens arrange for such gatherings as this and for the services or exercises incident to your public meetings. You will pardon me for the personal allusion if I say that in a number of instances when visiting other places under such auspices I felt it necessary to take charge of the committees; whenever I came here your committees took charge of me. I conclude, therefore, that to-night I am in your hands, and that while you may differ with some of my statements and conclusions, you will bear with me patiently, and will receive in the generous spirit so characteristic of your people such suggestions as may seem warranted regarding the topic upon which I shall speak.

Many of you recall the visit of President McKinley to attend the opening of the Philadelphia Commercial Museum. He believed in such agencies for the promotion of our commerce. Some day the new Department of Commerce and Labor may find it advisable to have closer relations with these museums, and I should be glad to see some practical steps taken to that end. Doctor Wilson, the able head of the Museum, and those associated with its development, deserve the thanks of this community and the recognition I am sure they will receive from the business men of the country for what they have contributed to the fund of our information upon commercial topics.

There has never been a time in the history of this country when so much interest was taken in commercial and industrial conditions as at present. With the expansion of our territory has come the expansion of our trade. We believe that the necessary expansion of territory has been attended by no sacrifice of the principles upon which the Government was founded and with no menace to our future welfare. The same must be made true of the expansion of our trade. The founders of the Republic builded wisely, and however great may be the development on commercial and industrial lines, there should be no deviation from the great fundamental principles, adherence to which has been the safeguard of our institutions. Some time ago,

upon an occasion similar to this, I referred to what is termed the "commercialism" of the age in which we live. Let me recall what I then said:

"In these prosperous times we hear much of the term 'commercialism.' It is frequently referred to as though in itself it represented a misguided national spirit or a tendency of our people to lower their standards. There is, undoubtedly, a commercialism that would dwarf the national life; that would place business success above business honor; that would contemplate the profits of trade without the ethics of trade; and that, if followed to a large extent, would make the American name a shame and a reproach among the nations. But there is another commercialism that is founded upon the traditions of the fathers; that seeks to secure the markets of the world by the American traits of thrift and fair dealing; that weaves into every fabric, as a prime essential, a moral fibre; that combines the fine qualities which have made the names of our really great merchant princes and leaders in the business world synonyms of honor and integrity. That is the commercialism with which you and I wish to ally ourselves, for the nation that is devoid of that spirit to-day sits supinely while her competitors pass on to the goal of commercial and industrial supremacy. Let us dedicate ourselves, not to the warped and sordid and altogether false commercialism that would gain success at all hazards, but rather to the true commercialism that is worthy of our best American ideals.

"It is so easy to start a word or a phrase on its rounds, that is later to be taken up, written about, and preached about; and it seems to me this is as good a time as any to place ourselves on record on the right side of this proposition and have the eminent gentlemen who are such ready critics and prolific controversialists understand that there can be a commercial spirit in a great nation so fine and so true that it becomes a support for the best tendencies and best possibilities of the national character; and that we do not intend that this spirit shall be misrepresented by any sweeping generalization or by a failure to recognize the fact that among the greatest of the forces that have made this Republic what it is to-day are the men of commerce and industry."

My remarks this evening contemplate this true commercial spirit as an essential basis for a consideration of agencies for the ex-

tension of our domestic and foreign trade. Upon that foundation, what are some of these agencies?

First, there must be the initiative and energy of the individual merchant, and cooperating with the individual merchant must be his employee, for the initiative and the energy of the one must be supplemented by the faithful service and devotion of the other. Granting this, we find ourselves at the very outset confronted with the great question of the relations of what are called capital and labor. Elsewhere I have discussed this question at some length. I shall not delay you with any remarks upon it further than to say that the relations maintained between the employers and employees in our business life have an intimate bearing upon the whole subject of the extension of our influence on commercial lines. Labor and capital must work together, must reason together, must be tolerant and open-minded if they are to achieve the goal of their mutual desires. Men naturally differ among themselves in their opinions on this subject, but very often their differences are found to show but slight divergence from a common ground. The man who seeks to accentuate these differences for political or personal advantage will ultimately receive the condemnation his mischievous teachings deserve. The demagogue is always with us. For some months in the immediate future we may expect to hear much from him. Whether in the ranks of capital or labor, whether in one political party or another, he is an impediment to progress and a menace to free institutions. In spite of him and in the interest of good government, the problems that are essentially nonpartisan must be sacredly kept so. Not that we should minimize the dangers along our pathway, not that we should abridge the freedom of speech or of the press in the discussion of wrongs that must be righted or of evils that must be eradicated, but running through the whole discussion must be a spirit of fair play and common decency. It is not necessary that one should be a pessimist to recognize the evil tendencies and forbidding influences that menace the national welfare. We are not naturally a nation of pessimists. The founders of the nation breathed the very spirit of optimism, and, while recognizing that this Government, like all human devices, had its imperfections, and that dangers and difficulties were inseparable from the working out of its destiny, the great leaders of American thought and action from the days of Washington to the

present moment have carried aloft the banner of a national hopefulness and have been sustained and strengthened by a firmly rooted belief in the integrity and greatness and glory of this mighty Republic.

Among the problems confronting our people to-day, none is more worthy of serious attention than that relating to commercial and industrial conditions. I believe that we are making progress. I believe that there is to come better feeling between employer and employee. I believe that the organizations and individuals representing the men and women of wealth, and the men and women whose toil makes the accumulation of wealth possible, are exercising an ever-increasing influence for better feeling; and your association and others of kindred purposes, chambers of commerce, boards of trade, and commercial organizations generally—great unofficial agencies for the extension of American commerce—are doing much vital work in that direction.

To repeat: first, individual initiative, energy, and loyalty upon the part of the citizen whether employer or employee; then, in cooperation with them, the agencies of government, and, at this time, most appropriately, the new executive establishment which has been created to have some jurisdiction over commercial and industrial affairs.

Turning to the Federal agencies, we find that nearly every branch of the Government does important work for commerce and industry. The Department of State in negotiating treaties promotes the development of commerce, while the work of the consular service, the results of which are now given to the public daily, by the Department of Commerce and Labor, is almost exclusively devoted to commercial interests. The Army of the United States, for which many millions are annually appropriated, although intended primarily as an instrument of war, is, in fact, an important agency for the upbuilding of commerce, since it is under the jurisdiction of the War Department that the vast appropriations for the improvement of rivers and harbors are expended. The Navy is also an important factor, not only by way of protection to our merchant marine, but also in its work of exploration, in the laying out of cable routes, and in many other ways. The Post-Office Department, with its expenditure of over one hundred million dollars per annum, is an invaluable agency for commercial development. The Department of the Interior is an-

other, through the aid which it gives our citizens to establish homes and to become producers of agricultural and mineral wealth; and particularly in the encouragement which, through the administration of the patent laws, it gives to the inventive genius of the country. The Department of Agriculture, for which nearly forty million dollars have been appropriated during the past decade, is engaged in promoting and fostering our principal source of wealth, agriculture, whose products form such a large part of the materials entering into our commerce, both internal and external. Of our total exports, which now exceed those of any other country of the world, agriculture supplies nearly, or quite, two-thirds. The Department of Justice, in enforcing the various laws against the restraint of trade, and the Treasury Department, in administering the finances of the country, are also potent factors in our commercial progress and development; and in conjunction with these Departments the Department of Commerce and Labor will contribute its share to the maintenance of our commercial and industrial preeminence.

It is especially with reference to the work of the new Department that you naturally expect me to speak in detail.

Congress has declared it to be the province and duty of the Department of Commerce and Labor to "foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the labor interests, and the transportation facilities of the United States."

One of the most important methods of aiding commerce is to give to those engaged in it such definite information regarding existing conditions as will enable them intelligently to determine the classes of articles which can be most profitably produced, the sections to which they should be distributed, and the agencies through which they can best be placed before prospective customers. In all of this work the new Department is actively engaged.

The Census Bureau, which in the year 1900 gathered the statistics of population, manufactures, and agriculture, is now engaged in collecting and compiling information on other subjects having important relation to our industries, and is also preparing to take, a year hence, another census of our manufactures, thus giving a quinquennial instead of decennial statement, which in the past has been our sole information on the subject of manufactures. In addition,

its statistics on cotton production are now presented at frequent intervals, and in conjunction with special investigations ordered by Congress, it is giving to the country a fuller knowledge of the great factors of our commerce than ever before.

The Bureau of Statistics of the Department publishes, for the benefit of our commercial interests, such information as it is able to collect with the cooperation of the various governmental offices and commercial organizations. It also gathers and publishes from month to month statements of the concentration of the principal articles at certain internal points and their transportation therefrom to various parts of the country and to the seaboard for exportation. This work, a comparatively new one, is carried on by the Bureau largely through the cooperation of commercial bodies, the press, and the large organizations engaged in transportation. In like manner information is collected and distributed regarding exports and imports. Material for use in manufacture is forming a steadily growing share in our imports, while the home market for articles in a form ready for consumption is more fully supplied year by year by our own producers and manufacturers. Manufacturers' materials in 1860 formed 26 per cent. of our total imports; in 1880, 37 per cent.; in 1900, 46 per cent., and in 1903, 48 per cent., while the imports of articles manufactured in a state ready for consumption have decreased in about the same proportion.

Monthly statements of the total exports of the various articles of production and of the countries to which exported are presented by the Bureau of Statistics and distributed to individuals and to commercial and industrial organizations. In addition, statements are issued at the close of each fiscal year showing the distribution by countries of every article exported and the quantity and value sent to each country during each year of the previous decade. Semiweekly statements of commercial conditions are prepared and distributed to the press and to commercial organizations, thus giving the widest possible publicity to the latest available information regarding commercial conditions.

Still another important undertaking of the Department is the publication and distribution of commercial information collected by the consular service of the United States—a service composed of more than 300 men scattered throughout the world—who report

regularly upon the opportunities for American commerce in their respective districts. These reports are forwarded by the consuls through the State Department to the Department of Commerce and Labor for publication and distribution. In addition to the information thus obtained, the Department of Commerce and Labor from time to time calls upon the consuls for special information for which inquiry has been received from merchants and manufacturers. The consular reports are issued daily in printed form, and distributed to the press, to commercial bodies, and to a limited number of individuals. It is through this service that the American commercial public is kept in close and constant touch with trade conditions and opportunities throughout the world.

Another valuable agency is the Bureau of Labor of the Department. Its investigations are not confined to conditions in the United States, but are extended to other countries and to the relations which labor conditions there bear to production and commerce and labor in the United States. The information thus obtained is published periodically and widely distributed.

Other branches of the Department's work in the interest of commerce and industry include the Light-House Establishment with its thousands of employees engaged in maintaining aids and safeguards to commerce on the coasts and inland waterways; the Coast and Geodetic Survey with its corps of skilled men engaged in surveys of our coast; the Steamboat-Inspection Service, which contributes largely to the safety of persons and capital engaged in commerce by water, both along the coast and upon the interior waterways of the country; the Bureau of Navigation, which has to do with matters relating to the shipping interests of the United States; the Bureau of Fisheries, which in promoting the development of our fresh and salt water fisheries contributes largely to the food supplies entering into the commerce of the country; the Bureau of Immigration, which protects the country against violations of the laws governing immigration; and the Bureau of Standards, which is intrusted with the care and use of the national standards of measure, with the development of methods of measurement, and with the dissemination of knowledge concerning these subjects as applied in the arts, sciences and industries.

Of the new Bureaus created by the act establishing the Depart-

ment of Commerce and Labor, the Bureau of Corporations is engaged in the necessary foundation work for its duties under the law, and will eventually become a valuable agency for the extension of our domestic and foreign commerce. The Bureau of Manufactures is not yet organized, owing to lack of appropriations. Funds available in present legislation will make possible an early beginning of the work of this Bureau.

Provision was made in the estimates for this year for an appropriation to be expended under the immediate direction of the Secretary for special investigations of trade conditions at home and abroad, with the object of promoting the domestic and foreign commerce of the United States, and for other purposes. Important instruments in the promotion of trade are the agents dispatched from time to time by foreign governments to study commercial opportunities in other countries. Military and naval experts are sent abroad by our Government to report on conditions that are of interest to their respective Departments. In the daily competition of international trade there is even greater need of intelligent outposts abroad. Special agents are also required in the Department itself to inspect the branches of its services in different localities and to secure uniform, businesslike and economical methods. The need of such agents in other Departments has been met by appropriations, and there is of course a similar need in this new Department.

No appropriation has yet been made for this service, but I am convinced that when its importance is made more apparent to Congress favorable action will be taken.

In addition to the measures that have been taken for the reorganization and improvement of existing branches of the statistical service, it is proposed to establish an office for the collection and distribution of foreign-tariff information, this being one of the directions in which the Department's work can apparently be extended with great advantage. A small initial appropriation has been received for this purpose.

Nations are inclined to regulate their commercial intercourse by means of a double system of tariffs, permitting preferences through commercial treaties. The current agitation in Great Britain for a departure from traditional policy in order to increase commerce be-

tween the members of the British Empire may have marked effects upon American trade and incidentally upon American labor.

The industrial and economic facts which accompany such movements must be closely, intelligently and unremittingly watched. A few competent employees, acting directly under the head of the Department, will suffice for this purpose. From the small expenditure proposed excellent results may be obtained. There is at present no Government office in the United States engaged systematically in the work of collecting information regarding foreign tariffs, and making that information available to our exporters. This Department has received frequent inquiries for such information, and has been impressed with the importance of providing a medium to supply it.

You have been kept advised from time to time of what the new Department is doing on these lines. Too much must not be expected in the initial months of its existence. It will cooperate with you and you must cooperate with it. There must be mutual understanding and mutual support. It will not attempt the impossible. Its sphere lies in what will be well-defined limits. It is a branch of the Federal Government, and as such must adhere strictly to the lines marked out for its jurisdiction and not inject itself into fields of private endeavor where it does not belong. It can do a great work for the commerce and industry of this country, but the results it will achieve will be measured by the foresight and the intelligence and the conservatism with which it carries on its work as one of the great agencies in the extension of our domestic and foreign trade.

The promise held out for the new Department presupposes proper equipment. As it demonstrates its usefulness, I am confident Congress will increase its appropriations to a point adequate to its needs. Like all new institutions it is bound to have its early struggles for recognition. Congress and the Chief Executive have given it work to do. Whether well or ill equipped, it will do this work in the best manner possible. It seeks nothing it should not have. It will ask for support only on its merits, but as it demonstrates its usefulness in the scheme of our Government, it will have whatever recognition and commendation it may be entitled to receive.

The new Department has to deal in a large way with great business enterprises. It has approached these problems with con-

servatism and impartiality. It has some jurisdiction over the interests represented by the toilers of the country, and it will do its share in securing a recognition of labor's rights and the encouragement of better feeling and fairer dealing. It is made the statistical Department of the Government, and it will make its statistics non-partisan, impartial, and as accurate as they can be made. It has to do with marine interests. It will advance those interests in every proper manner, and I am sure it is not heresy to state in this presence that it will lend the weight of its influence to the building up of the American merchant marine. It has supervision over the difficult problems of immigration and Chinese exclusion. There are inconsistencies in the laws relating to them. There are grave hardships constantly coming up in the execution of these laws. Not infrequently they present obstacles to the development of our commerce. But they are founded on the good old doctrine of self-preservation, and must be fairly enforced until more satisfactory legislation can be devised. These and the other problems to the solution of which the Department must give its best energies are among the most important confronting our people to-day. If the Department can do its legitimate share in their solution, if its personnel can be raised to a high standard, if its expenditures can be kept at the lowest figure consistent with good administration, if, in a word, it can be conducted as a business establishment for the advancement of business interests and for the encouragement of good feeling and better understanding between all interests having to do with our trade and industrial relations—the employer and the employee, the accumulator of wealth, and the toiler in the counting room or the shop or the factory who contributes to it—if it can be a potent force for enlightenment and progress in these busy years of the nation's development, all who have an interest in its success will feel that their confidence has not been misplaced and that they have contributed to the establishment and advancement of a factor in our national life.

In some remarks made to officials of the Department on the 1st of July, 1903, I said: "The new Department moves forward, and as it takes its place by the side of the other great executive establishments it will catch the step and the swing of their onward movement in the nation's progress and prosperity."

I am sure you will welcome the statement, which it is almost

unnecessary to make, that in all the work of the new Department, in its desire for nonpartisan and impartial and conservative action, in its contribution to the solution of the problems with which it has to deal, it has had no more sturdy friend, no more vigorous advocate, no more faithful supporter, than the strong and able and fearless man who is to-day President of the United States.

This country has taken its place in the front rank of the world's producers. It now excels any other country in the production of wheat, corn, iron and steel, coal and copper, and possesses more manufacturing establishments and a larger number of intelligent, well-paid workmen than can anywhere else be found. Our locomotives, railway cars, carriages, agricultural implements, boots and shoes, clocks, scientific instruments, telephone and telegraph instruments, and a multitude of other products which go to every quarter of the globe are a tribute to American skill and enterprise.

What I have referred to this evening are, in the main, the forces to which we may look for still further progress and development in our commercial and industrial relations, but back of them all there must be triumphant Americanism, forceful and far-seeing, ever aggressive and ever mindful of the principles upon which our national progress depends. On the integrity, and energy, and public spirit of American citizenship we may confidently rely for the future glory and prosperity of our country.

Such organizations as yours are among the most influential factors in our commercial and industrial development. I congratulate you upon what you have done; I bid you Godspeed in the good work you are yet to do.